

Message Text

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PAGE 01 STATE 020635
ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 MC-02 SAJ-01 ACDA-07
CIAE-00 INR-07 NSAE-00 PM-04 DODE-00 L-03 OES-06 /051 R

DRAFTED BY COM/BIEPR/182/DMCMEANS/JMT
APPROVED BY EB/OCA/CM/JJREILLY
COM/BIEPR/OIFI/182/DARRILL
COM/BIEPR/OIFI/180/BFREE
COM/BIEPR/OTP/IND/176/RMITCHELL
STATE/EUR/NE/NACHILLES (DRAFT)
STATE/EUR/RPE/RBRESLER (INFO)
STATE/EB/IFD/OIA/RSMITH (DRAFT)

-----291822Z 108377 /41

R 290139Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY THE HAGUE

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E.O. 11652: N/A

TAGS: NL, EINV, BDIS

SUBJECT: ZERO MFG. CO.: INVESTMENT/EXPORT PROBLEM

REF: STATE 1057, DUNN-ORR TELECON 1-12-77

1. SUMMARY. DUTCH DELEGATION VISITED ZERO IN MISSOURI
JANUARY 14-15, 1977, TO TRY TO NEGOTIATE CONTINUATION OF
ASSEMBLY OF ZERO'S TANKS IN THE NETHERLANDS. NO AGREEMENT
WAS REACHED AND NO FURTHER TALKS ARE PLANNED. END SUMMARY.

2. ZERO REPORTS FRUSTRATING TWO DAYS WITH KARL DEBOER
AND HERMAN ADER WHO PURPORTED TO SPEAK FOR THREE GON
MINISTRIES: AGRICULTURE, INDUSTRY AND SOCIAL AFFAIRS.

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KARL DEBOER FURTHER REFERRED TO HIS GOOD FRIENDSHIP WITH
THE U.S. AMBASSADOR. ZERO HAD DIFFICULTY DISCOVERING
EXACTLY WHAT THE DUTCH REALLY WANTED AND WHAT GOVERN-
MENTAL OR BUSINESS ENTITY ZERO WOULD BE DEALING WITH HAD
AGREEMENT BEEN REACHED.

3. IN CONTRAST, SO ZERO REPORTS, ZERO MADE SPECIFIC OFFER:

A NEW JOINT VENTURE IN WHICH ZERO WOULD HAVE A TWENTY PERCENT INTEREST; A FOUR-YEAR PERIOD TO PHASE OUT U.S. PRODUCTION OF TANKS FOR THE DUTCH MARKET AND PHASE IN FULL PRODUCTION IN THE NETHERLANDS; AND A CONTINUING RELATION-

SHIP THAT WOULD PROVIDE THE DUTCH WITH NEW TECHNOLOGY. ZERO ASKED U.S. TWO MILLION DOLLARS FOR THIS PACKAGE. THE DUTCH OFFERED FOUR HUNDRED THOUSAND DOLLARS PLUS MAYBE TWO PERCENT ROYALTIES. DUTCH FURTHER WANTED A SHORTER TIME FRAME FOR TRANSITION. ZERO DESCRIBED THE DUTCH OFFER AS INSULTING.

4. USDOC DISTRICT OFFICE DIRECTOR OBSERVED MOST OF THE ZERO-DUTCH TALKS; HE CONFIRMS THE DUTCH VAGUENESS AND BELIEVES ZERO'S PACKAGE OFFER WAS CAREFULLY PUT TOGETHER AND REASONABLE. ZERO REPORTS SOME PARTS OF ITS PACKAGE ARE NEGOTIABLE AND THAT IT IS PREPARED TO DEAL WITH THE DUTCH BUT NOT IN A FASHION DETRIMENTAL TO THE COMPANY. ZERO PLANS NO REPEAT NO FURTHER CONTACT WITH THE DUTCH. ZERO PLANS TO CONTINUE TO COMPETE IN THE DUTCH MARKET BY EXPORTING FROM THE U.S. ZERO BELIEVES THE DUTCH WILL TRY TO FIND A JOINT VENTURE PARTNER AMONG ZERO'S COMPETITORS.

5. ZERO HAS NOT REPEAT NOT REQUESTED FURTHER USG ASSISTANCE. ZERO DOES BELIEVE IT HEARD A VEILED THREAT FROM THE DUTCH TO RESTRICT IN SOME FASHION ZERO'S EXPORTS TO THE NETHERLANDS. SHOULD THIS HAPPEN EMBASSY'S ASSISTANCE WILL BE REQUESTED.

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VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, CONSTRUCTION, MEETINGS, JOINT VENTURES, TANKS (COMBAT VEHICLES)
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3592559
Secure: OPEN
Status: NATIVE
Subject: ZERO MFG. CO.: INVESTMENT/EXPORT PROBLEM
TAGS: EINV, BDIS, NL, US, ZERO MFG CO, (ADER, HERMAN), (DEBOER, KARL)
To: THE HAGUE
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